



## **Survey of Danish food industry firms' view on policies that impact the food industry**

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# **Survey of Danish food industry firms' views on policies that impact the food industry**

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## ***Abstract***

*A mail survey is used to assemble a unique data set comprised of 109 firms' statements concerning policy in the Danish food industry. The survey response rate is 16% and features firms from all major sectors of the Danish food industry and from all regions of Denmark. The report presents the raw data and relates the development and implementation of the survey. Lessons learned in the survey process are presented, as well as estimates of the cost of the whole procedure. Danish firms do not define problems in food chain co-ordination in the way anticipated by researchers, and express a negative view of the effectiveness of policy targeted at solving such problems. A large number of Danish firms claim not to know the financial impacts of specific legislative and regulatory policies. The largest number of firms claimed that food safety, animal welfare and policies requiring information provision had negative financial impacts. Firms' strategic and long term views focused on dissatisfaction with "regulation". Firms' views of future success focused on subject matter that is not generally addressed by current policies.*

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The authors express their thanks to all firms that participated in this study. This includes those that reviewed early versions of the questionnaire, called the project office for clarification, filled and returned the questionnaire, or simply contributed time to conversations with the authors.

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## Summary

This survey provides a unique data set comprised of individual firms' statements concerning policy in the Danish food industry. This report presents the raw data and relates the development and implementation of the survey. Lessons learned in the survey process are presented, as well as estimates of the cost of the whole procedure. The report does not attempt a full analysis of results, but summaries of all responses are presented.

The research addresses the current imbalance in policy research, which emphasizes farmer and consumer interests, rather than impacts of compliance on food industry participants. The questionnaire (see Annex 1) provides firms with the opportunity to express views on existing policies and advocate policy change. The research associates those responses with information provided about the firms.

The 16% response rate is better than is achieved in most surveys of food industry firms. The overall sample size (109 firms) represents about 10% of all Danish food industry firms, although the commodity specialization distribution is such that fish and dairy are over-represented. The single largest disappointment in terms of representativeness of the sample is the paucity of retail firms, all but one of whom declined to take part in the survey.

Firms' perceptions of co-ordination and competitive problems in the food marketing chain are different to those defined by researchers. Moreover, firms' perception of the effectiveness of policy in solving those problems is somewhat negative. In general, firms do not recognize a strong connection between these problems and the policy environment.

Firms' claims about the impacts of individual policies show considerable variation. This variation is presented in the report but its explanation is deferred to later research. Clearly, firms view some policy areas as far more costly than others. In addition, firms display variation in their claims about whether compliance costs rest with them or can be passed on in transactions in the food chain. Food safety and labor law are the most widely recognized (by as many as 40% of firms) as raising costs. Copyright and land use planning, as well as competition law, are the least recognized as affecting costs.



Open-ended questions about food industry policy revealed firms' widespread disquiet over regulation as a problem for both individual firms and the industry as a whole. Firms' perception of "regulation" involves compliance as well as administration, and is loosely interpreted in their responses. Problem areas identified align reasonably well with legislative areas of emphasis. Opportunities identified by firms did not reflect the emphasis of food industry policy.

## **1. Background to the survey**

### **1.1. Project "Perspectives and outlook for the Danish food marketing chain"**

This 3-year project has the objectives:

- to measure change in the Danish food marketing chain;
- to characterize relationships, and their role in delivering optimal levels of food attributes;
- to evaluate efficiency and competitiveness.
- to review and evaluate policy instruments.
- to communicate research results.

The project focuses on the policy environment experienced by Danish food industry firms. This requires a sharp definition of policies encountered by firms and an understanding of the impacts of those policies. To achieve this, the project has established research linkages with three Danish firms and the Danish Food and Drink Federation. These contacts complement FØI's links with policy makers and with the scientific research establishment and Denmark and beyond. In turn, this communications network is to be utilized in dissemination of research results during the project.

The research has been partially funded by the Innovations Fund of the Danish Ministry of Agriculture. The interested reader is directed to the internet site [www.dfk.foi.dk](http://www.dfk.foi.dk) or to the senior author of this paper for further information about the project.

### **1.2. Motivation for the survey**

Lists of policies impacting the food marketing chain tend to emphasize its two ends: farmers and consumers. These two stages of the chain undoubtedly occupy the ma-

jority of policy-makers' time and a significant share of governments' food chain-related expenditure in many countries. However, policy impacts at other stages of the chain (e.g. processors, distributors, retailers, suppliers of inputs to the food industries) have been little studied.

The majority of food-related policy analysis addresses interventions at farm and consumer level, and in international trade. This has, recently, been supplemented by analysis of specific policy areas (e.g. food safety initiatives, and competition and anti-trust legislation). In its focus on the “body” of the Danish food marketing chain, this survey seeks to identify the policy areas that affect food industry firms, and the forms that impact can take. Across a broad range of policy areas, this survey seeks firms' perceptions about impacts on their costs and prices.

Much economic research generates hypotheses and models from observed behavior, which is assumed to be “optimal” in the context of either utility maximization (for consumers) or profit maximization (in the context of firms). A more recent development is the publication of studies and models of stated preferences, as opposed to itemized data on consumption or production. Few such studies have surveyed food processors and distributors, and these are the focus of this survey.

Modern developments in the food marketing chain have given rise to considerable comment on themes such as anti-competitive behavior and overall co-ordination. These developments give rise to both problems and opportunities, and these are widely discussed by industry commentators and researchers. It appears that the economic agents most likely to be affected by those changes have played a very small role in defining them. Moreover, their recommendations for the best policy responses have not been systematically gathered together. This survey provides firms with the opportunity both to react to “stated problems” and to define further problems in their own firms or in the Danish food system at large. Moreover, the survey invites commentary from firms about the extent to which policy solves problems, and solicits their preferences for future policies in the food industry.

Addressing policy-related questions to economic actors with a vested interest in the outcome has long been recognized as a difficult, and potentially misleading, research activity. For this reason, the survey has been conducted in association with a review of legal aspects of policies encountered by firms in the food marketing chain. This “dual” approach provides a means of checking reported impacts against those that ap-

pear likely, given the legislative and practical basis of policies. The legal review is a separate publication (Hamann and Baker, 2004).

### **1.3. Confidentiality of data**

Co-operation and participation by Danish food industry firms is an essential feature of this survey. Participating firms have been assured that no information will be disclosed that can identify their individual response to the questionnaire. Moreover, the participation of any individual firm in the survey remains confidential.

The data set derived from the survey responses has been stripped of any variables that could be used to identify the firm. Following data entry and checking, the original questionnaires have been destroyed.

### **1.4. Use of survey results**

The results of this survey have the following uses:

- presentation in tables of summary statistics to identify measures and trends;
- analysis of patterns of variation amongst and within groups of firms (analysis of variance);
- modeling of firms' responses to specific questions based on explanatory power of their other responses (regression analysis); and
- identification of "clusters" of firms by grouping the survey data according to convergence in the patterns of responses by firms (cluster analysis).

Formal and self-contained research reports are to be generated from these analyses, and a variety of workshop and seminar activities are planned. Firms and individuals with an interest in the use of the dataset should contact the senior author of this report. The principal audience for survey results is the Danish policy-making establishment. Results present firms' expressed views on problem definitions, policy impacts, and their evaluation of existing policy instruments.

The second audience for survey results is the food industry itself. Firms approached to participate in the survey will be furnished with this publication, and invited to seek analytical results from FØI. The Danish Food and Drink Federation and the project's partner firms will also be used to disseminate survey results and generate responses from the Danish food industry at large.

The third audience is the Danish and international research community for agriculture, agribusiness and food issues. A number of journal articles and working papers are appearing from the survey and these will contribute to domestic and international understanding of the food marketing chain, in line with the objectives of this research project.

## **PART I - DESCRIPTION OF THE SURVEY**

### **2. The survey**

#### **2.1. Objectives**

The objectives of the survey are:

- to synthesize and explain firms' views of policies toward the food industry;
- to provide food industry firms with an opportunity to evaluate the impacts and effectiveness of policies;
- to allow firms to advocate change in policies; and
- to explain the patterns of variation amongst and within the observations generated.

#### **2.2. Approach taken**

To achieve the above set of objectives, it is necessary to extract information from firms. No existing data set provides this information in a consistent and contemporaneous form. A question-and-response approach (a survey) is therefore necessary.

Two general approaches were considered. Dispatching a team of survey staff to firms, with questionnaires, was deemed to be too expensive. In addition, its dependence on locating and occupying the time of one key staff member at each firm was deemed to be too complex an administrative task. The alternative approach, a mail survey, was adopted.

Common sense suggests that a mail survey must have a minimal set of attributes in two senses:

- a. its structure, format and depth must encourage (or at least, not discourage) a firm's employee to complete the survey in a constructive way. In short, the survey must be able to be completed quickly and appear to be relevant to, and consistent with, stated objectives;
- b. its implementation must enable access to firms, and to appropriate people within firms, in a way that maximizes the number and quality of responses, and enables the return of questionnaires.

### 2.3. Sampling

The researchers' expectation of a low response rate amongst firms guided the decision to develop as large a sample as possible. The degree of representativeness achievable in this way is not directly estimable, but it was hoped that a large enough sample would replicate the Danish food industry's patterns of variation in commodity sector, stage of marketing chain, size, degree of value added, export orientation and other features.

For the information available about firms for potential inclusion in the sample, optimal characteristics were deemed to include each firm's name, telephone contact, e-mail address and the name of senior staff. It also might extend to information about the firm's size, age, business form, main activity and main products.

The names and addresses of Denmark's food industry firms are not available as a list from a single source. Commercial databases were examined, and rejected on the basis of cost and apparent quality (in terms of editing and correction that was needed). No commercial database offered e-mail addresses and the names of senior staff. The decision was then made to assemble a new database of firms, and to include all firms in the sample for the survey.

The Danish Food and Drink Federation provided the names and addresses of their member firms. This did not extend to telephone numbers, nor e-mail addresses, nor the names of contact people. The free internet service "EU Business Network" provides a searchable list of business contacts, and this was used to generate a second set of firms' names, addresses and most telephone contact details. Once again, no e-mail addresses nor staff names were available. From these two sources (between which there was some overlap), the sample was assembled. Supplementary information (e.g. telephone numbers) was obtained from further investigation. Repetitions were identified using search procedures and a number of firms were eliminated by researchers with a knowledge of mergers and acquisition. The resulting database contains 940 firms.<sup>1</sup>

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<sup>1</sup> The resulting database of firms' names, addresses and telephone numbers is available from the senior author on request. It should be noted that a firm's inclusion in the database is no indication that the firm responded to the survey.

## 2.4. Time frame

The survey had been planned so that the questionnaire would be sent to firms in October 2003 and returned in November 2003. In the event the questionnaire was sent out during November 2003 and the last questionnaire was returned on 1 February 2004.

## 2.5. Initial design of the questionnaire

The questionnaire was developed initially around eight themes:

- basic information about the firm;
- appreciation of, and opinion about, problems in the Danish food marketing chain;
- assessment of specific policies' success (or potential success) in solving problems;
- impacts of specific policies on firms' revenues;
- impacts of specific policies on firms' short and long term costs;
- impacts of specific policies on food industry structure and conduct;
- firms' recommendations on future policies; and
- firms' views on the role policy might play in the future of the Danish food industry.

Within those eight themes, a set of questions was developed in line with project and survey objectives. They were then reduced to four (see table 2) because:

- the questionnaire was thought to be too long; and
- the best format for the questionnaire was thought to be a folded A3 page, which allowed for only four pages.

**Table 1. Themes chosen for the survey**

Theme	Purpose of theme's inclusion
Basic information	Provision of explanatory variables: firms' size, sector orientation, stage in marketing chain, ownership structure and branding behaviour.
Problem definition and assessment of policy response	Recording firms' general level of agreement with commonly-heard definitions of problems arising in the food industry. Recording firms' assessment of the performance of policy in solving those problems. No reference is made to any specific policy, but to the policy environment in general.
Policy impacts	Recording firms' assessment of the impacts of specific policies (as implemented as specific laws and regulations) on revenues and costs.
Comments on existing and future policy design	An invitation to firms to nominate problem areas faced, state the impact of such problems, and recommend policy change. This theme emphasizes open-ended responses to allow firms maximum freedom.

A key set of variables was identified based on researchers' perceptions of gaps in research knowledge, weighted by practical considerations for a mail survey. Although financial and management information is obviously desirable, only basic questions were included to take account of:

- the likelihood that firms would divulge certain details;
- the need for a firm's respondent staff member to access data, rather than deliver from his knowledge of the firm;
- the focus of the survey on policy, rather than financial performance.

## **2.6. Question formulation**

Question design and coverage pursued:

- a standard treatment of firms from all sectors and all stages of the marketing chain;
- predisposition of discrete variables to ranking of firms' responses;
- mutual exclusivity of responses within questions; and
- removal of ambiguity within responses.

The length of the questionnaire, and the time necessary to complete it, were assigned high priority. A large number of questions were dropped from the questionnaire in order to reduce its length. The bulk of dropped questions referred to:

- year-on-year changes; and
- management responses to specified policies.

A constant process of iteration was maintained amongst questionnaire formulation, commentary from peers and industry specialists, and the analytical requirements of the research. This took place over a 2-month formulation period.

## **2.7. Contacts with firms**

It was recognized that contact to firms must provide:

- a well-directed communiqué to the "best person to fill in the questionnaire";
- a positive image of the project, the survey, and the firm's participation in it;
- reassurance of confidentiality;



- a clear statement of tasks required;
- reassurance of the time required;
- access to further information if required; and
- free postage for the return of the questionnaire.

## **2.8. Languages used**

The non-proficiency in Danish of the project manager necessitated that the questionnaire be prepared in English and then translated into Danish. All communications with firms was carried out in Danish.

## **3. Development of the questionnaire and survey systems**

### **3.1. Review and consultation**

The questionnaire was prepared in consultation with several industry contacts, FØI colleagues, and selected staff from research institutions.<sup>2</sup> In addition to consistent advice that the questionnaire was too long, constructive criticism included recommendation that:

- a closer relationship between survey objectives and question design could be achieved;
- presentation of responses could be better adapted to analytical needs;
- responses from firms should not be solicited to negative statements, on the grounds that double negatives may be misinterpreted;
- words were used that may be ambiguous; and
- open-ended questions should be eliminated or greatly reduced in number.

These recommendations were followed, as far as was possible.

### **3.2. The questionnaire**

#### **3.2.1. A copy of the questionnaire**

See Annex 1.

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<sup>2</sup> not named here.

### **3.2.2. Format**

The format of the questionnaire was a conveniently-handled folded A3 sheet. This also lends itself to a 4-part structure, which had been established following broad consultation.

### **3.2.3. Sheet A**

Sheet A of the questionnaire is a necessary adjunct to all other information collected. Variation in the variables measured (e.g. size, sector, branding behaviour) provides a means of analyzing policy-related responses from the other sheets.

### **3.2.4. Sheet B**

Sheet B addresses the overall policy environment and firms' satisfaction with it. It seeks firms' opinions regarding a set of 9 pre-determined statements of problems in three parts: (a) agreement or non-agreement with the problem definition; (b) a rating of the problem's seriousness; and (c) an evaluation of policy's effectiveness in solving the problem. It must be emphasized that no attempt is made to guide the firm's response in terms of "which policy" is to be evaluated: the question states "To what extent to government policies or actions solve the problem?", and no specific policies are quoted. It is assumed that the firm has its own idea (which may be right or wrong) about which policies are implicated by a particular problem statement.

This approach was adopted because firms may, in many cases, not know precisely which policy instruments address specific problems. Secondly, the nature of the "problems" is quite general and may be addressed by a number and variety of policies.

The problem statements were assembled from the media and the academic press, and from publications by forums for discussion of current food industry policy both in Denmark and abroad. These problems refer to vertical relationships in the food chain. Table 3 explains each problem statement in turn and explains the insight that might be gained from its inclusion in the survey. In general, Q 32 addresses co-ordination in the food chain, Q33-34 address new product innovation and branding; and Q 35-39 address competition in the food chain.

**Table 2. Explanation of issues addressed in sheet B**

Problem statement	Explanatory notes on problem statement	Connections between problem statement and policy responses
32 "There is not enough co-ordination between stages in the Danish Food Marketing Chain"	"Co-ordination" refers to the needs of firms to co-operate to serve the needs of the modern food marketing system. Such co-operation may be technical (e.g. pipe sizes, pallet types, quality grades used, compatibility of bar coding), financial (e.g. payment systems) or organizational.	The role of policy in co-ordination may direct or indirect taxes and subsidies on specific procedures, or on specific types of innovation. As examples: transport regulations may limit delivery sizes (e.g. of live animals) or restrict product handling options (e.g. pallet sizes); copyright and regulation of product nomenclature may restrict product development at one of more stages of the market-chain.
33 "The Danish food industry produces too few new products"	This represents the concerns over the apparent increasing homogeneity of Danish food products. One cause and/or consequence of this is that food industry firms produce too few new products.	The role of policy in product development includes research and development, and grants and subsidies provide for innovation. Policies that might be appropriate include tighter controls on the actions of large retailers and other influential actors in the food chain: their expansion into new areas; use of large scale formats; minimum volume requirements; and new transaction arrangements.
34 "Food retailers' own-label brands have too large a share of the Danish market"	This addresses a multitude of research literature on own-label.	The potential role of policy in own-label refers both to possible restraints placed on large retail chains and to copyright law that might restrict the scope of own-label.
35 "Danish farmer co-operatives have too much market power"	The dominance of co-operatives in some Danish food processing industries may be seen as a problem either by suppliers (farmers and input suppliers) or by buyers (retailers and distributors).	There is no Danish legislation governing the operation of co-operatives, but certain actions of co-operatives (e.g. compulsory supply by members, abuse of a dominant position) are covered under other legislation. Surveyed firms may respond that the current policy environment does not do enough to contain co-operatives' dominance, or accentuates it.
36 "Danish food processors have too much market power in their dealings with farmers"	These statements reflect a view that food processors exercise market power through powerful brands and dominant market share.	Firms' evaluations of policy might include either policies that they see as promoting or preserving market power, or policies that appear to be ineffective in combating it.
37 "Danish food processors have too much market power in their dealings with retailers"		
38 "Danish food retailers have too much market power over farmers" <sup>3</sup>	These statements reflect a view that food retailers, particularly the large chains, exercise market power through own-label brands, marketing of convenience-oriented shopping and dominant market shares.	Firms' evaluations of policy might include either policies that they see as promoting or preserving market power, or policies that appear to be ineffective in combating it.
39 "Danish food retailers have too much market power over consumers"		

<sup>3</sup> This problem statement was supposed to address retailers' market power over food processors but, due to an undetected typing error, specified farmers.

Sheet B provides a focus for problem definitions by firms, as opposed to those expressed elsewhere (e.g. by consumers and farmers, and their advocates). More importantly, Sheet B provides firms the opportunity to make a statement on the performance of policy in addressing those problems.

### **3.2.5. Sheet C**

Sheet C of the questionnaire focuses firms' views on specified policy areas, in contrast to sheet B where the focus is problem definitions. Firms are presented with a list of policies, and asked to indicate the impact of each policy on:

- sales prices;
- purchase prices of agricultural raw materials;
- fixed costs; and
- variables costs.

Firms are constrained to stating the impact of each policy area on these financial variables. They may state only that the policy causes the variables to “rise”, “fall”, or “neither rise nor fall”. Alternatively, firms can respond “I don’t know”.

The selected list of policy areas contains 30 regulatory or legislative topics. This list was shortened during questionnaire preparation and testing (from 45). Those retained refer to:

- specific pieces of legislation (e.g. “copyright and patent law”);
- specific rules within easily-identified legislation (e.g. “food safety regulation”);
- specific topics that are addressed, perhaps indirectly, by less-easily identified legislation (e.g. “legislation related to farmer co-operatives”)

Results from sheet C provide information at two levels. At the first, the overall impacts claimed by different groups of firms can be assessed, and differences identified. For example, differential impacts on firms' fixed and variable costs indicate differential incentives on investment and on the extent to which small and large firms might be affected.

At a second level, individual firms' responses can be examined for differential impacts on costs and prices. For example, firms that experience raised costs, but can pass them on to buyers as raised prices, are in a better position than firms that cannot.

Conversely, firms that manage to raise their prices due to certain rules or legislation, but do not incur added costs, are made much better off than firms that can only pass on incurred costs.

### **3.2.6. Sheet D**

Sheet D provides firms with the opportunity to:

- expand the material addressed in the research;
- propose policy change.

Firms may define problems not addressed in sheet B. They may make commentary on policies beyond the evaluations in sheet B. They may describe impacts more fully than in part C. They may advocate policy change.

Responses to sheet D have been coded at two levels. In the first, responses are categorized according to the main theme of the response. In these cases some 8-10 main themes were identified from the responses before coding began. In the second, all responses have been assigned to up to 30 narrower codes to reflect more diverse themes.

### **3.3. Questionnaire testing**

A sub-sample of 25 firms was randomly selected from the database of firms. To these 25 was sent a package containing:

1. a covering letter requesting the firm's participation in the survey, assuring the confidentiality of any response, estimating the completion time to be 20 minutes, and the request that the package be directed to "a senior staff member familiar with the marketing activities of the firm";
2. a brochure outlining the project and making clear the purposes of the survey;
3. a questionnaire; and
4. a return postage-paid envelope.

Three responses were received from the test survey, only two of which were useable. Each firm in the test survey was then contacted by telephone to determine the reasons for their failure to return the questionnaire. Four of the 22 non-responding firms were no longer in business and no telephone contact was ever made with two more.

From contacts with the remaining 18 firms, an immediately-recognized problem was that firms' point of contact for telephone calls was different to that for postage: few telephone staff had any knowledge of having received the questionnaire and no single one could remember where, within the organization, the questionnaire package had been sent. Where individual staff could be reached for comment on questionnaires received, the only significant comment was that the questionnaire was too long.

Three conclusions were drawn from the test survey:

- the database of firms was not completely reliable (4 of 25 firms no longer existed);
- “blind” mailing of survey forms was an inadequate method; and
- the task of locating the “best” person to fill in the questionnaire, and return it, was the responsibility of the researchers and not of the firm.

In addition, 5 questions were deleted from the questionnaire which had the (perhaps aesthetic) effect of increasing the size of print on one of its pages.

### **3.4. Procedures and systems development**

An initial meeting of the research team concluded with delegated tasks to formulate working procedures and systems to implement the survey and achieve a dataset of results that were appropriate to the research objectives.

The procedures and systems developed were:<sup>3</sup>

- a sequenced set of steps for compiling lists of firms to be contacted, contacting them by telephone, conducting the initial telephone conversations, recording the outcome and features of those conversations, printing and sending questionnaires, handling postage, preparing for follow-up, handling returned questionnaires, entering data, and making follow-up telephone calls to firms;
- training of survey staff;
- a method for subdividing the database of firms to contact;
- a protocol for telephone calls (figure 1);
- a time frame for the co-ordination of telephone calls with sending of questionnaires;

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<sup>3</sup> Further information on procedures used is available from the senior author.

- management of data entry; and
- monitoring and evaluation and means of changing any of the above.

**Figure 1. Telephone protocol for contact with firms**

**A. Initial calls to firms**

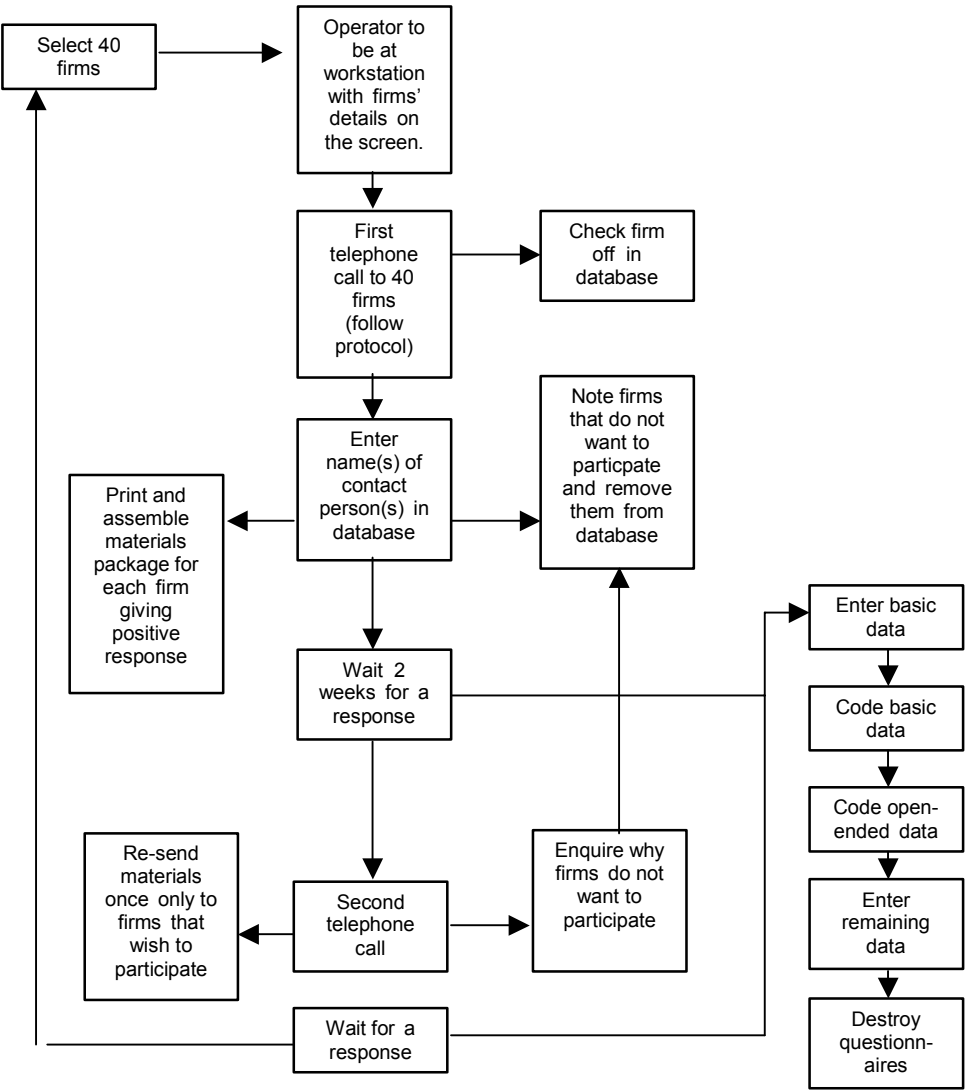
- 1 Call to number from database
- 2 Introduction of caller, introduction of FOI, statement about research into food industry policy
- 3 Check that it is the right firm as shown in the database
- 4 State that a survey is being done of food industry firms
- 5 State that this survey studies firm's responses to food industry policies
- 6 Ask who is the best person at the firm to speak to
- 7 Write down the person's name, position and location
- 8 Ask to be transferred, and if not, then get the receptionists name for when you call back

**B. When speaking to the person nominated**

- 1 Introduction of caller, introduction of FOI, statement about research into food industry policy
- 2 The research is part of a project that is trying to identify "the best policies for the Danish food industry"
- 3 To this end, we are doing a survey of about 1000 food industry firms
- 4 "The questionnaire takes 20 minutes to fill out and is confidential".
- 5 The questionnaire asks food industry managers to
  - (i) define food industry problems
  - (ii) evaluate policy impacts on their costs and revenues
  - (iii) suggest changes to specific policies or propose new ones
- 6 Is the contacted person the best person to complete the questionnaire and can it be directed to that person?
- 7 "We feel that this is an opportunity for food industry firms to express a view on food industry policy"
- 8 "This kind of survey has never been done before"
- 9 "A questionnaire and brochure about the project are being sent, along with a website address".
- 10 "Thank you" and "we hope they will take the time to complete and return the questionnaire"

4. Implementation

Figure 2. Action flow chart for survey implementation



From the database of 940 firms, 700 firms were successfully contacted by telephone. The remaining 240 entries in the database (25%) represented one or more of:



- changed or incorrect telephone numbers;
- merger with, or acquisition by, another firm from the database (survey staff were referred elsewhere);
- inability to locate an appropriate person at the firm, or refusal to return telephone calls (after a standard 5 re-calls by survey staff);
- firms that were clearly not engaged in the food marketing chain.
- disappearance or non-existence of the of the firm for some other reason.

The survey staff followed the telephone protocol, ideally entailing two parts of a single telephone call:

1. to the first point of contact (e.g. a receptionist);
2. to the proposed person to receive the questionnaire and respond to it.

After contacting a subset of some 40 firms, each survey staff member printed materials for those firms and sent to each firm that had agreed to participate (eventually, 400 of the 700 or 57%). Firms that had not agreed to participate (300 of the 700 or 43%) were removed from the sample, although notes were made about any assumed or inferred reason for non-participation.

The package sent to participating firms was sent within 24 hours of the telephone conversation, and contained:

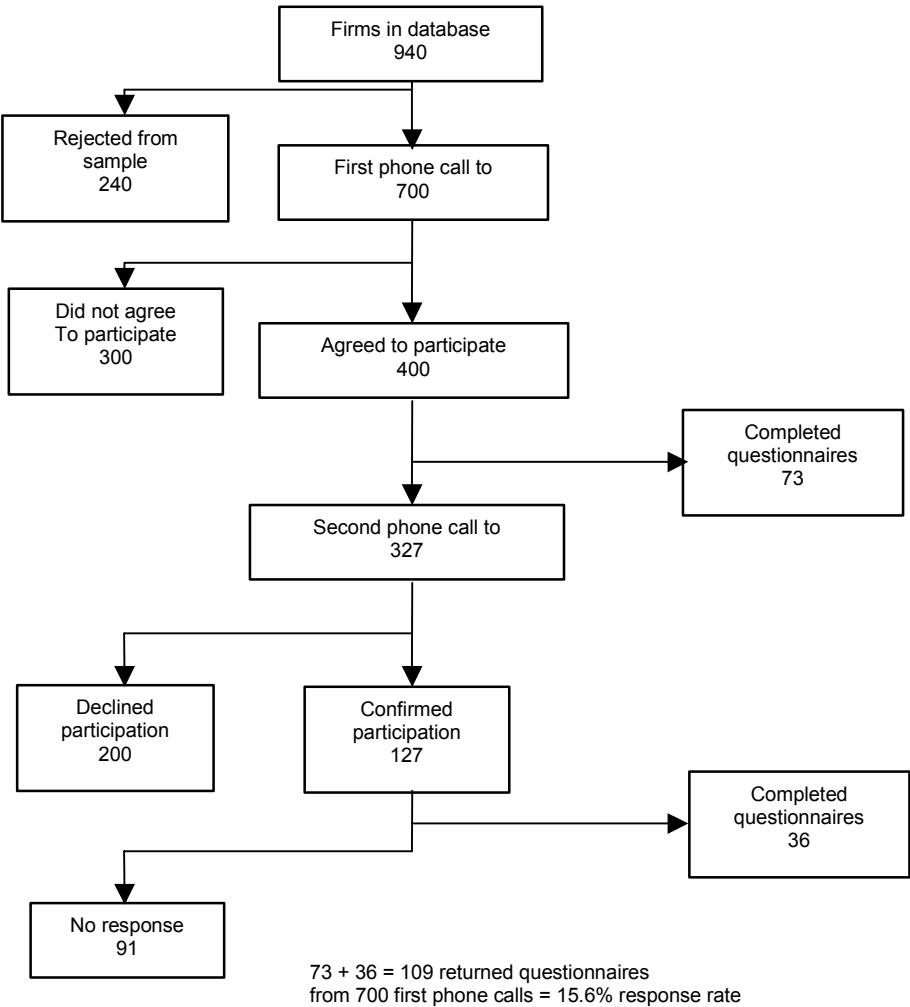
1. a covering letter referring to the telephone conversation, describing the survey and the questionnaire, requesting the firm's participation in the survey, assuring the confidentiality of any response, and estimating the completion time to be 20 minutes;
2. a brochure outlining the project and making clear the purposes of the survey;
3. a questionnaire; and
4. a return postage-paid envelope with a hand-written reference to direct the returned envelope to the FØI project manager.

Two weeks after sending the questionnaire to each of the firms that had agreed to participate in the survey, 73 of 400 firms had completed and returned a questionnaire (18%). Second calls were made to the other 327 firms. At the second call, 127 firms confirmed that they wished to participate, from which a further 36 completed questionnaires were received.

4.1. Response rates

The ratio of completed questionnaires (109) to first telephone calls (700) firms implies a response rate of about 16%.<sup>4</sup>

Figure 3. Survey response rate

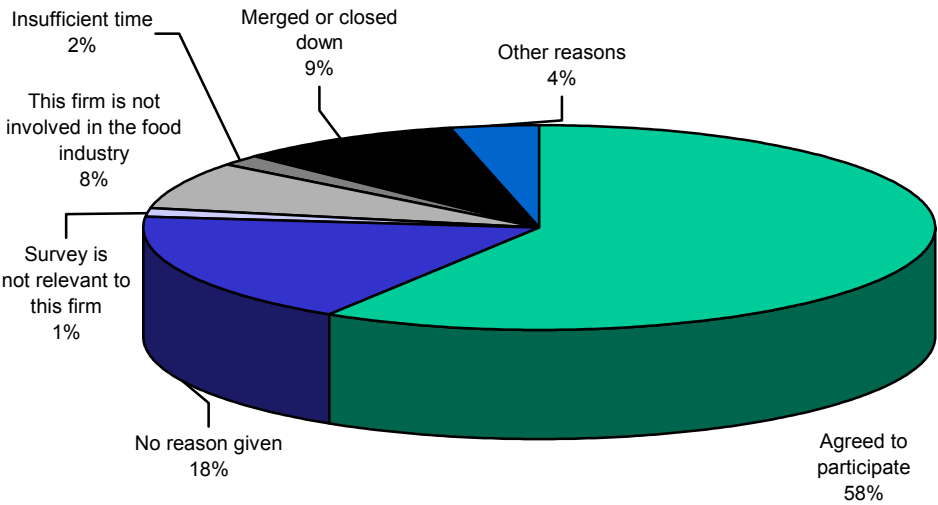


<sup>4</sup> Expressed over the 400 firms agreeing to take part in the survey, the response rate is about 27%.

4.2. Examination of non-responses

Firms’ stated or inferred reasons for not participating in the survey following the first telephone call are shown in figure 3. The most significant reasons were firms’ merger or closure, and the non-involvement of the firm in the food industry.

Figure 4. Reasons for non-agreement to participate at 1st telephone call



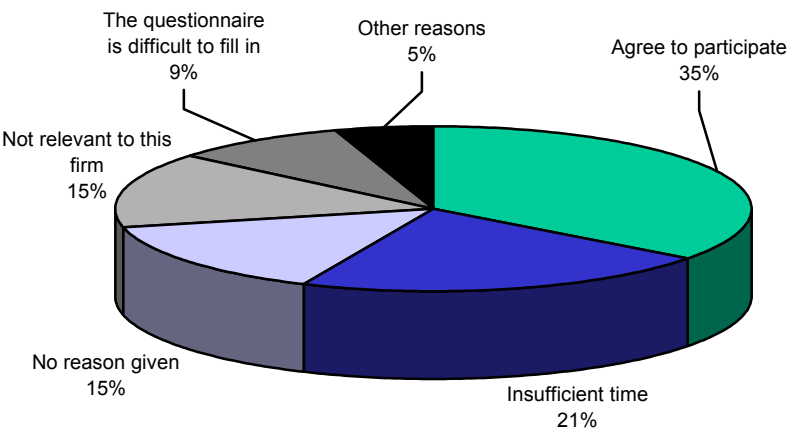
Following materials being sent after the first call, 51 firms responded to the project manager to indicate that they did not wish to participate. Of these:

- 29 returned the questionnaire without filling it in;
- 17 sent an e-mail;
- 5 called the project manager.

Thirteen firms gave no reason why they declined to participate. Five stated that they did not produce or sell food products, 4 stated that they did not operate at all in Denmark, and 4 said that they had no time. Seven said that the questionnaire was too detailed and one could not understand the questions. Eight firms responded by declining to complete the questionnaire but offered to participate in other ways, including discussions of specific policies or contributions to workshops and project publications.

At the second call, firms had had the opportunity to view the questionnaire. Forty-two firms had mislaid the questionnaire and requested another copy. 127 of 327 firms declined further participation. The major reasons for firms to decline participation were a lack of time (21%) and that the questionnaire was not relevant to the firm. A further 9% claimed that the questionnaire was difficult to fill in. 15% gave no reason.

**Figure 5. Reasons for non-agreement to participate at 2nd telephone call**



**4.3. Handling of completed questionnaires**

Returned questionnaires were assembled in a single box and kept under lock and key. Sections A, B and C of the questionnaire were able to be entered immediately, and this process went on while survey staff were not busy with telephone calls and other procedures. These sections contained responses that were either continuous or discrete variables. The class variables had been coded prior to the survey and.

Part D responses were open-ended and these were entered, al at one time, at the end of the survey. This section was coded only after the returned questionnaires were received. Codes were established by two survey staff following a formal process across a subset of questionnaires. In most cases, the open-ended responses were coded at two levels:

- the general level, that indicated the overall theme or basis for a comment;
- the specific level, that recorded occurrences of actual comments.

#### **4.4. Data entry**

The procedures agreed by the survey staff had been to use the “forms” facility of the Microsoft Access database package. This would allow a virtual copy of the questionnaire to appear on the computer screen and allow data entry of class variables by clicking boxes with the computer mouse. Analogously, entry of continuous variables would use a prompt-box.

Creation of such a mechanism proved beyond the skills of any of the survey staff. Microsoft Excel was used to enter the data, resulting in a spreadsheet 109 rows long and 248 columns wide. This was awkward to navigate and prone to entry error.

#### **4.5 Coding of semi-open-ended responses**

Classification of each firm used Danish Industrial Classification of economic activities 1993 (DB93, Danmarks Statistik (1996)). DB93 has 810 branches based on NACE Rev.1 (1993) and conforms to standard EU decided classifications from 1 January 1993. Firms from five different stages of the food marketing chain were identified (inputs, primary producers, processors, distributors and retailing). Eleven sectors and fourteen main products (including “other”) were identified.

#### **4.6 Coding of open-ended responses**

Open-ended responses to questions in part D of the questionnaire created difficulties for researchers. The approach has advantages and disadvantages. An advantage is that it yielded a very broad range of answers, many of which fell outside the expected range and topic areas. A disadvantage is that numerous firms failed to address the question their answer, possibly because they misunderstood the question. Some firms gave more than one answer to a question. Lastly, handwritten answers (often using abbreviations) also created difficulties.

The key task in coding is to establish patterns from answers, without losing information. The approach adopted was 2-level coding. First, each answer was assigned to a category based on the researchers’ judgment. Second, each unique response was as-

signed a code and irrelevant commentary was assigned “other” (to distinguish it from “no response”).

#### **4.5. Analysis**

Preliminary analysis used Microsoft Excel. Later analysis used SAS, with access to the Excel database by dynamic data exchange (dde) within SAS.

### **5. Lessons learned**

#### **5.1. Design lessons**

The response rate was no doubt influenced by the length of the questionnaire. There is no way of knowing how many more responses would have resulted from a shorter questionnaire.

The overall 4-part design probably assisted firms in understanding the general thrust of the questions. It also made for a conveniently-handled questionnaire with a minimum of page-turning.

It is possible that some questions were misinterpreted by firms. This could be improved upon by increased pre-survey input from sample or test firms. Some methodologies employ a “focus group” approach to help focus and word questions.

Substantial effort was required to code, and re-code open-ended responses. In particular, coding at two levels (by category and by detailed response) became, to some extent, an *ad hoc* exercise as the authors had not pre-specified the means of categorization. Although no substantial statistical inference was expected from the open-ended questions, their investigative and provocative power may have been extended by a better standardization and improved consistency. This may have been achieved by guidance to firms in categorization. Another approach would be to reduce the number of open-ended questions to a very few, with multiple choices offered for the remainder.

## **5.2. Communications lessons**

During testing and preparation for the survey it became clear that the identification of a single contact or “target” person at each firm was a necessity. As a consequence, preliminary contact with firms is needed and enquiries still need to be made even in the presence of accurate databases of addresses and contact telephone numbers.

The commitment to talk to a single contact person created the need to call repeatedly to some firms, a number of which were clearly not keen to be contacted. However, some firms agreed to be surveyed following 6 attempts to reach them. In other cases, some other staff member than the contact person agreed to receive and handle the questionnaire on behalf of the contact person.

The survey process greatly benefited from development and adoption of a standard telephone protocol. The follow-on to producing and sending questionnaires and covering letters was less well-organised. In particular, target contact people frequently received letters stating “further to our telephone conversation” when in fact someone different had received the telephone call. Some individuals objected strongly and this undoubtedly reduced the survey response rate.

Firms contacting the project office were frequently unable to communicate with the project manager in English.

## **5.3. Data entry lessons**

Data entry was time-consuming for two reasons. Firstly, a spreadsheet (rather than a formatted database) was used. Secondly, sheet D required considerable time to code.

Survey design had anticipated the need for flexibility in coding, as the nature and emphasis of firms’ responses to open-ended questions could not have been anticipated. Formulation of codes involved a time-consuming iteration between raw data and trial codes. This procedure might have been shortened by the provision of more guidance to responding firms and by a smaller number of open-ended questions.

#### **5.4. Data processing**

Data processing tasks were designed in advance of data entry. However, the need to subdivide and allocate responses to large numbers of class variables made for some difficulty in presenting easily-understood summaries of results.

#### **5.5. Peer review lessons**

Peers were slow to respond with comments and suggestions. Some industry organizations and firms passed the sample questionnaires to the least busy colleagues, not always the best ones to comment on survey methodology or questionnaire design. Some academic peers over-emphasised theoretical considerations and encouraged larger numbers of questions, while industry peers seemed to recommend the opposite. The most constructive and practical advice came from peers with experience of mail surveys.

#### **5.6. Lessons about contacts with firms**

Firms' responses indicate some enthusiasm for the subject matter of the survey. In addition to completed questionnaires, this was demonstrated by letters, e-mails and telephone calls that expressed support and a willingness to view results.



## PART II – RESULTS OF THE SURVEY

### 6. Results

From 109 useable responses, this section summarises raw results.

**Table 3. Basic information about responding firms**

No. Topic	Min.	Max.	average	Non-response
9 No. of employees (full time equivalent)	1	2,900	146	0
10 Annual sales (million DKK)	7. 0	4,300.0	342.8	10
11 of which: food products (%)	0%	100%	92%	5
12 food industry services (%)	0%	100%	4%	25
13 other (%)	0%	100%	5%	30
14 % ownership of firm by food processing firms	0%	100%	49%	15
15 % ownership of firm by food retailing firms	0%	100%	2%	25
16 % ownership of firm by farmers or farm co-operatives	0%	100%	11%	23
17 % ownership of firm by firms outside the food industry	0%	100%	37%	20
18 % of value of purchases of agricultural raw materials that are imported	0%	100%	26%	16
19 % of value of sales that are exported	0%	100%	41%	8
20 number of units owned, that supply agricultural inputs and raw materials	0	13		23
21 number of units owned, that process or manufacture food products	0	6		21
22 number of warehouses, storage, wholesale and distribution units owned	0	6		24
23 number of retail shops owned	0	1		27
24 number of restaurants owned	0	0		27
25 number of other establishments owned (specify...)	0	1		31
26 number of other establishments owned (specify...)	0	0		31
26E Number of food product brands owned by the firm 2002	0	200	7	18
27 Number of food product brands owned by the firm 1997	0	150	5	25
28 Number of new branded food products introduced in one year 2002	0	10	0.63	20
29 Number of new branded food products introduced in one year 1997	0	25	0.69	32
30 What % of value of sales are retailers' own-brands? 2002	0%	100%	21%	23
31 What % of value of sales are retailers' own-brands? 1997	0%	100%	15%	35

The staff members that filled out the questionnaires were overwhelmingly (91%) male, and primarily (58%) described their positions as “director” (see table 4).

**Table 4. Position held at firm by responding staff member**

Position held by respondent	Number	%
Technical	4	4%
Quality management	6	6%
Marketing or sales	9	8%
Directorial	63	58%
Owner	3	3%
Other	3	3%
Not stated	21	19%
Total	109	

### 6.1. Detail from sheet A on responding firms

Responding firms generally corresponded to the stages of the food marketing chain targeted by the survey (table 5). Three respondents are classified as “farmers”, even though the survey sought to avoid that stage. These three are all highly vertically integrated and deeply involved in marketing activities. For these reasons they have been retained in the survey. Despite targeting retailers in the survey process, only one retailer responded with a useable returned questionnaire.

**Table 5. Stage of food marketing chain**

Chain stage	Number	%
Distributors	27	25%
Farmers	3	3%
Input suppliers	9	8%
Retail	1	1%
Processors	69	63%
Total	109	

Responding firms are drawn from a variety of industrial sectors. The highest representation is from fish (28 firms), dairy (14), meat and fruit and vegetables (table 6). One surprising element of this pattern of responses is that in the highly-concentrated Danish agro-industrial environment for meat and dairy processing (dominated by just 1-2 firms), so many firms from those sectors responded (table 7).

The responding firms are somewhat concentrated in a medium size category, with 45% of firms having between 21 and 100 employees. Four responding firms have less than 5 employees and six had over 500 (table 8).

**Table 6. Responding firms' sectors**

Sector	Number	%
Meat	12	11%
Fish	28	26%
Fruit and vegetables	11	10%
Sugar and oils	2	2%
Dairy	14	13%
Grains	10	9%
Tea and coffee	3	3%
Non-alcoholic. beverages	5	5%
Poultry	8	7%
Alcoholic beverages	6	6%
Tobacco	1	1%
Ingredients	4	4%
Other specialized sectors	2	2%
Non-specialized	3	3%
Total	109	

When firm size is expressed as revenue intervals, a more even distribution is revealed. 8% of firms have sales of less than 20 million DKK and 7% have sales of over 1000 million DKK. Ten firms (9%) did not divulge their annual revenues (table 9).

Respondents are drawn from all Denmark's amts, with strong representation from Viborg (14 firms) and others in Jutland (Nordjylland, Ribe, Vejle, Sønderjylland), as well as Copenhagen (13) (table 10).

Responding firms owned, on average, 7 brands in 2002, an increase over 5 in 1997 (table 11). The distribution of brand ownership amongst firms was largely unchanged between 2002 and 1997.

Amongst responding firms, sales of retailers' own-label brands averaged 21% of all of sales in 2002, an increase over the 15% shown for 1997 (table 11). The distribution of firms changed quite markedly between 1997 and 2002: 45% of firms sold retail own-label brands in 2002 compared to just 30% in 1997. 13% of firms had more than half their sales as own-label brands in 2002, as opposed to just 7% of firms in 1997.

The trade orientation of responding firms is shown in table 12. The average share of revenues derived from exports was 41%, and the average share of all expenditures assigned to imported raw agricultural materials was 26%. Firms are somewhat evenly

**Table 7. Subdivision of respondents by stage and sector**

SECTOR of food industry	STAGE of food marketing chain					Totals
	Distribution	Farm	Input supply	Retail	Processing	
Meat	2	0	1	0	9	12
Fish	10	1	1	0	16	28
Fruit and vegetables	4	2	1	0	4	11
Sugar and oils	0	0	0	0	2	2
Dairy	1	0	3	0	10	14
Grains	1	0	1	0	8	10
Poultry	0	0	0	0	1	1
Tea and Coffee	0	0	0	0	3	3
Ingredients	1	0	2	0	0	3
Non-alcoholic beverages	1	0	0	0	4	5
Alcoholic beverages	2	0	0	0	2	4
Tobacco	1	0	0	0	1	2
Other specialised sector	1	0	0	0	7	8
Non-specialised sector	3	0	0	1	2	6
Totals	27	3	9	1	69	109

**Table 8. Firm size (number of employees)**

Number of employees (2002)	Number	%
less than 5	4	4%
6 to 20	33	30%
21 to 100	49	45%
101 to 500	17	16%
over 500	6	6%
Total	109	

**Table 9. Firm size (annual revenues)**

Annual revenue (2002)	Number	%
no response on sales	10	9%
sales less than 20 million	9	8%
sales 20 to 50 million	24	22%
sales 50 to 100 million	14	13%
sales 100-300 million	34	31%
sales 300-500 million	5	5%
sales 500-1000 million	5	5%
sales over 1000 million	8	7%
Total	109	

**Table 10. Firm location (by amt)**

Amt	Number	%
København	13	11%
Københavns kommune	4	
Københavns amt	8	
Frederiksberg	1	
Frederiksborg	3	3%
Roskilde	3	3%
Vestsjælland	9	8%
Storstrøms	4	4%
Bornholm	3	3%
Fyn	10	9%
Sønderjylland	9	8%
Ribe	11	10%
Vejle	9	8%
Ringkøbing	6	6%
Århus	5	5%
Viborg	14	13%
Nordjylland	10	9%
Total	109	

**Table 11. Branding behaviour of responding firms**

Q 26E-27 Brands owned	Q 30, 31 Retail brands as a % of sales		% of firms		% of firms	
	2002	1997	2002	1997	2002	1997
no response on brands owned	17%	23%	no response on retail brands		21%	32%
no brands owned	32%	34%	no sales are retail brands		35%	38%
1 to 5 brands owned	39%	33%	1 to 10% sales are retail brands		16%	11%
6 to 25 brands owned	8%	7%	11-50% sales are retail brands		16%	12%
over 25 brands owned	4%	3%	over 50% sales are retail brands		13%	7%
	Number of brands		% of all sales			
	2002	1997	2002	1997		
Average number of brands owned	7	5	Average sales as retail brands, as % of all sales	21%	15%	

**Table 12. Trade orientation of responding firms**

Q 19 Export intensity	Q 18 Import intensity		% of firms		% of firms	
	2002	1997	2002	1997	2002	1997
no response on exports	7%		no response on imports		15%	
no sales exported	13%		no purchases imported		39%	
1 to 30% of sales exported	35%		1 to 30% of purchases imported		18%	
30 to 75% of sales exported	23%		30 to 75% of purchases imported		15%	
over 75% of sales exported	22%		over 75% of purchases imported		13%	
	% of all sales		% of all sales			
Average for all firms	41%		Average for all firms	26%		

distributed in their export intensity, but 39% of responding firms claim to import no agricultural raw materials. 28% of responding firms dedicate more than 30% of their expenditures to importing raw agricultural materials, whereas 45% of firms have exports representing more than 30% of sales.

Table 13 presents some derived measures of firms' industry orientation, in terms of vertical integration and sales structures. Responding firms averaged 22% of ownership by firms outside their own stage of the food chain. Inputs suppliers averaged 57%, while processors averaged only 11%. Firms in the fruits and vegetables, meat and dairy sectors had the highest shareholdings by firms from outside their own stage of the food chain. Notably, firms specialized in grains, ingredients and non-alcoholic beverages all claimed zero ownership by firms outside their own stage of the food marketing chain.

Another indicator of vertical integration is shown in the second and third columns of table 13. Responding firms claimed, on average, to own 0.51 "major upstream assets" (e.g. a processing plant owned by a distributor) and 0.58 "major downstream assets" (e.g. a distribution warehouse for a processor). Distributors were the main owners of upstream facilities (at an average of 0.71 assets) and inputs suppliers were the major owners of downstream facilities (at an average of 2.3 assets). Non-specialised firms were the main owners of major upstream assets and dairy sector firms were the main owners of downstream assets.

On the right hand side of table 13, other industry orientation factors are summarized. Responding firms averaged 92% of sales as food product sales (as opposed to sales of food services and "other"). Inputs suppliers averaged just 53% of sales as food product sales and distributors averaged 90%. Amongst sectors represented in the survey, ingredients (18%) and non-specialised firms (78%) had the lowest average shares of sales dedicated to food products. All responding firms averaged 36% ownership by non-food industry firms. This was lowest for processors (averaging 29%) and highest for input suppliers (64%). All firms in the non-alcoholic beverages and ingredients sectors claimed 100% ownership outside the food industry.

**Table 13. Industry orientation of responding firms, by stage and sector**

Vertical integration of responding firms			Industry orientation of responding firms		
Averages per firm			Averages per firm		
	Q 14 - 16 % ownership from other stages	Q 20 - 26 Number of ma- jor upstream facilities owned	Q 20 - 26 Number of major downstream facili- ties owned	Q 11 - 13 Food product sales as a % of total sales	Q 17 % ownership out- side the food in- dustry
<b>All firms</b>	22%	0.51	0.58	92%	36%
<b>Stage</b>	Q 14 - 16 % ownership from other stages	Q 20 - 26 Number of ma- jor upstream facilities owned	Q 20 - 26 Number of major downstream facili- ties owned	Q 11 - 13 Food product sales as a % of total sales	Q 17 % ownership out- side the food in- dustry
Distributors	38%	0.71	0.22		
Inputs suppliers	57%	0	2.30	90%	41%
Processors	11%	0.20	0.51	53%	64%
<b>Sector</b>	Q 14 - 16 % ownership from other stages	Q 20 - 26 Number of ma- jor upstream facilities owned	Q 20 - 26 Number of major downstream facili- ties owned	Q 11 - 13 Food product sales as a % of total sales	Q 17 % ownership out- side the food in- dustry
Meat	30%	0.18	0.18		
Fish	14%	1.05	0.55	92%	30%
Fruits and vegetables	48%	0.28	0.20	96%	32%
Dairy	31%	0.11	1.42	95%	40%
Grains	0%	0.28	0.14	96%	34%
Non-alcoholic beverages	0%	0	0	87%	33%
Ingredients	0%	0	0	90%	100%
Other specialised sectors	29%	0.28	0.83	18%	100%
Non-specialised	20%	1.80	0.33	94%	26%
				78%	40%



## **6.2. Detail from Sheet B on problem definitions and evaluation of policy**

Firms' responses to questions in sheet B are presented, in raw form, in table 14. In part (a) of each question, firms were asked to respond to a problem statement. In each case, 10-20 firms did not respond. Responding firms were evenly divided over problem statement 32, 33, 38 and 39. A significant majority of firms agreed with problem statement 35, and the majority of firms disagreed with problem statements 34, 36 and 37.

In part (b), firms' assessment of the severity of the defined problems shows a different pattern. Strong majorities of firms rated as "major problems" all problem definitions except 32 and 34. Relatively few firms (5-12) responded "don't know"

In part (c) firms evaluated the general policy environment for its impact on the problem identified in part (a). For all problem definitions, 10-20 firms responded "don't know". Very few firms (4-13) claim that policies solve the identified problems. Significant numbers of firms claim that policy either partially solves the problem or has no impact on it. For problem statement 34 (on the market share of food retailers' own-label brands), 5 firms claim that policy "partially solves" the problem, while 28 claim that policy has "no impact". For problem statement 35 (on farm co-operatives' market share), the converse applies: 21 firms claim that policy partially solves the problem while 11 firms claim that policy has no impact. For all problem definitions, there are significant numbers of firms that claim that policy has no impact on the problem. For problem definition 32 (on co-ordination) 38 (retailers' market power) significant numbers of firms claimed that policy "makes the problem worse".

In sheet B, responses to parts (b) and (c) were requested only from those firms agreeing with the problem definition in part (a). However, for some questions, (e.g. problem statement 35) more firms expressed an opinion on the size of the problem than had defined it as a problem.

Tables 15 and 16 show substantial variation in agreement with the problem statements between sectors and between stages of the food marketing chain. On food chain co-ordination (Q 32), firms in the grain sector and input suppliers overwhelmingly agreed that there is "not enough co-ordination". Firms from the meat and fish sectors consistently disagree with the statement that retailers' own brands have too large a share of the Danish market (Q 34), while 55% of firms in the fruit and vegetables sec-

**Table 14. Firms' responses to sheet B (problem definitions and evaluation of policy)**

Q	Problem statement	(a) Do you agree with the statement?			(b) Is this a major or minor problem?				(c) Evaluation of government policy impacting this problem					
		Agree	Dis-agree	No answer	major problem	minor problem	Don't know	No answer	solves the problem	partially solves the problem	no impact on the problem	makes the problem worse	Don't know	No answer
32	"There is not enough coordination between stages in the Danish Food Marketing Chain"	52	41	13	22	28	9	50	6	17	17	10	15	44
33	"The Danish food industry produces too few new products"	46	53	10	29	17	7	56	6	13	22	4	12	52
34	"Food retailers' own-label brands have too large a share of the Danish market"	31	65	13	16	18	7	68	2	5	28	2	14	58
35	"Danish farmer co-operatives have too much market power"	60	35	14	44	12	8	45	13	21	11	1	15	48
36	"Danish food processors have too much market power in their dealings with farmers"	35	55	19	26	5	11	67	5	10	12	3	15	64
37	"Danish food processors have too much market power in their dealings with retailers"	23	74	12	15	8	5	81	4	4	16	1	11	73
38	"Danish food retailers have too much market power in their dealings with farmers"	43	50	16	26	11	12	60	4	14	20	6	13	52
39	"Danish food retailers have too much market power over consumers"	51	48	10	36	16	4	53	7	16	22	3	10	51

**Table 15. Firms' responses to problem definitions, by sector**

**Q 32-39**

Problem statement	% of responding firms agreeing with the statement - by sector					
	All firms	meat	fish	fruit and veg	dairy	grains
"There is not enough co-ordination between stages in the Danish Food Marketing Chain"	50%	50%	43%	45%	50%	90%
"The Danish food industry produces too few new products"	42%	33%	39%	27%	43%	70%
"Food retailers' own-label brands have too large a share of the Danish market"	28%	8%	14%	55%	29%	50%
"Danish farmer co-operatives have too much market power"	55%	67%	57%	36%	50%	70%
"Danish food processors have too much market power in their dealings with farmers"	32%	17%	46%	36%	29%	40%
"Danish food processors have too much market power in their dealings with retailers"	21%	17%	32%	18%	14%	40%
"Danish food retailers have too much market power over farmers"	39%	17%	25%	73%	50%	60%
"Danish food retailers have too much market power over consumers"	47%	25%	43%	64%	43%	60%

**Table 16. Firms' responses to problem statements, by stage of chain**

	% of responding firms agreeing with the statement - by stage			
	All firms	Distributors	Input suppliers	Processors
"There is not enough co-ordination between stages in the Danish Food Marketing Chain"	50%	22%	78%	55%
"The Danish food industry produces too few new products"	42%	30%	56%	45%
"Food retailers' own-label brands have too large a share of the Danish market"	28%	19%	11%	33%
"Danish farmer co-operatives have too much market power"	55%	56%	67%	55%
"Danish food processors have too much market power in their dealings with farmers"	32%	41%	33%	28%
"Danish food processors have too much market power in their dealings with retailers"	21%	26%	22%	20%
"Danish food retailers have too much market power over farmers"	39%	41%	33%	38%
"Danish food retailers have too much market power over consumers"	47%	37%	33%	49%

tor agreed with the statement. Only 28 % of all firms agreed with the statement, but 33% of food processors agreed with it.

There is consistent majority agreement across sectors and across stages of the food chain that “Danish farmer co-operatives have too much market power” (Q 35). There is a consistent majority of responding forms that disagree with statements about the market power of food processors over farmers and over retailers (Q 36 and 37). A majority of firms in the grains, dairy and fruits and vegetables sectors agree that retailers “have too much market power over farmers” (Q 38), but no single stage of the marketing chain exhibits a majority of firms agreeing with this statement. A majority of firms from the fruit and vegetables, grains and non-alcoholic beverages sector agrees that retailers “have too much market power over consumers” (Q 39), but once again no single stage of the food chain has a majority of firms agreeing with that statement.

### **6.3. Detail from sheet C on policy impacts**

In sheet C, firms were asked to indicate the financial impact of each of a list of 30 specific regulatory and legal areas (Q 42-71). The raw results are presented in table 17 over the following pages.

For most regulatory areas examined, 20-30 firms of 109 in the survey gave no assessment. The number of firms responding “don’t know” varied considerably throughout sheet C, ranging from about 15 for food safety (Q 58) and labor law (Q 70) to over 50 for legislation related to farmer co-operatives (Q 44), copyright (Q 56) and land use and planning (Q 65).

For all regulatory areas examined, a significant number of firms claimed “no impact” on prices and costs. The most firms claimed impacts arising from legislation related to trade barriers (Q 42 and 43), animal welfare (Q 45 and 46), product quality descriptions (Q 48 and 49), information provision (Q 50-53), food safety (Q 57 and 58), the environment (Q 60-64) transport (Q 66) and labor (Q 70).

The regulatory areas that the fewest firms claimed had an impact on costs and prices are product nomenclature (Q 47), competition law (Q 54 and 55), copyright (Q 56), land use and planning (Q 65), contract law (Q 67 and 68) and business operating hours (Q 71).

**Table 17. Firms' responses to sheet C (impacts of specific policies)**

42	International trade policy for raw agricultural products under the CAP	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	16	15	19	20
	No impact	33	31	29	30
	Fall	4	6	3	2
	I don't know	35	33	34	34
	No response	21	24	24	23
43	International trade policy for processed foods and feeds under the CAP	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	9	12	7	12
	No impact	27	24	26	24
	Fall	2	3	2	1
	I don't know	42	39	42	41
	No response	29	31	32	31
44	Legislation related to farmer co-operatives	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	5	3	4	4
	No impact	23	25	26	24
	Fall	0	1	0	1
	I don't know	57	54	53	53
	No response	24	26	26	27
45	Legislation on animal welfare during production	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	17	17	16	18
	No impact	26	26	25	22
	Fall	0	0	1	0
	I don't know	38	37	38	38
	No response	28	29	29	31
46	Legislation on animal welfare during transport and handling	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	18	17	16	17
	No impact	23	23	25	23
	Fall	0	1	0	0
	I don't know	41	40	40	40
	No response	27	28	28	29
47	Rules of product nomenclature	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	8	7	9	9
	No impact	26	28	25	25
	Fall	0	0	0	0
	I don't know	48	46	47	46
	No response	27	28	28	29
48	Rules on product quality description when raw materials are purchased	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	18	21	22	21
	No impact	35	32	31	33
	Fall	1	1	0	0
	I don't know	31	30	31	31
	No response	24	25	25	24

**Table 17. Firms' responses to sheet C (impacts of specific policies) (continued)**

49	Rules on product quality description when products are sold	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	18	17	25	24
	No impact	42	42	34	35
	Fall	0	1	0	0
	I don't know	25	24	25	26
	No response	24	25	25	24
50	Rules on provision of information about Genetically Modified products	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	15	19	17	17
	No impact	35	33	34	36
	Fall	1	0	0	0
	I don't know	34	32	33	32
	No response	24	25	25	24
51	Rules on provision of information about products' country of origin	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	13	12	12	13
	No impact	47	46	44	46
	Fall	1	1	1	1
	I don't know	24	25	27	25
	No response	24	25	25	24
52	Rules on provision of information about products' production methods	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	13	14	17	17
	No impact	43	41	38	41
	Fall	1	2	2	1
	I don't know	30	29	29	29
	No response	22	23	23	21
53	Rules on products' identity preservation, and traceability	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	29	30	41	37
	No impact	38	33	26	30
	Fall	0	3	1	0
	I don't know	19	20	19	21
	No response	23	23	22	21
54	Anti-monopoly legislation (regarding pricing and competitive conduct)	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	1	2	4	5
	No impact	35	35	33	32
	Fall	2	2	0	1
	I don't know	48	46	48	48
	No response	23	24	24	23
55	Anti-trust legislation (regarding merger and acquisition)	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	5	4	6	6
	No impact	35	38	34	35
	Fall	2	0	0	0
	I don't know	44	43	45	45
	No response	23	24	24	23

**Table 17. Firms' responses to sheet C (impacts of specific policies) (continued)**

56	Copyright and patent law	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	3	2	4	3
	No impact	30	30	28	29
	Fall	0	0	0	0
	I don't know	51	51	51	51
	No response	25	26	26	26
57	Product liability law	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	17	17	19	15
	No impact	42	38	36	41
	Fall	0	1	0	0
	I don't know	27	28	29	29
	No response	23	25	25	24
58	Food safety regulation	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	31	27	38	39
	No impact	43	41	29	32
	Fall	0	3	0	0
	I don't know	15	15	19	17
	No response	20	23	23	21
59	Rules on organic farming and organic food products	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	10	8	10	9
	No impact	29	27	26	27
	Fall	0	3	0	0
	I don't know	46	45	47	47
	No response	24	26	26	26
60	Legislation on recycling of packaging material	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	19	18	18	26
	No impact	35	33	33	25
	Fall	0	0	0	0
	I don't know	34	35	35	36
	No response	21	23	23	22
61	Legislation on water use	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	33	31	30	41
	No impact	32	28	32	22
	Fall	0	1	0	0
	I don't know	21	24	23	23
	No response	23	25	24	23
62	Legislation on waste water discharge	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	30	29	33	39
	No impact	32	26	29	22
	Fall	1	2	1	1
	I don't know	24	27	23	26
	No response	22	25	23	21
63	Legislation on solid waste disposal	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	30	27	35	39
	No impact	38	34	32	26
	Fall	0	1	0	0
	I don't know	19	23	19	22
	No response	22	24	23	22

**Table 17. Firms' responses to sheet C (impacts of specific policies) (continued)**

64	Legislation on air quality	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	17	16	18	21
	No impact	38	33	36	32
	Fall	0	1	0	0
	I don't know	30	34	30	32
	No response	24	25	25	24
65	Legislation on land use and planning	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	0	1	2	1
	No impact	28	25	25	28
	Fall	1	3	2	0
	I don't know	54	53	53	54
	No response	26	27	27	26
66	Legislation on transport	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	14	11	14	17
	No impact	43	44	39	36
	Fall	0	1	0	0
	I don't know	29	30	32	32
	No response	23	23	24	24
67	Contract law - regulation of the content of contracts	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	1	1	2	2
	No impact	42	41	40	40
	Fall	0	0	0	0
	I don't know	43	43	43	43
	No response	23	24	24	24
68	Contract law - regulation of enforcement of contracts	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	3	2	2	3
	No impact	41	41	41	40
	Fall	0	0	0	0
	I don't know	42	42	42	42
	No response	23	24	24	24
69	Rules of accounting, record keeping and public disclosure	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	12	8	24	17
	No impact	48	50	34	40
	Fall	0	0	2	2
	I don't know	26	26	24	26
	No response	23	25	25	24
70	Labour law	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	20	18	36	37
	No impact	50	49	38	36
	Fall	0	0	0	0
	I don't know	17	19	13	16
	No response	22	23	22	20
71	Regulations on business operating hours	Sales prices of products	Purchase prices of raw materials	Fixed costs	Variable costs
	Rise	3	2	2	3
	No impact	38	39	36	35
	Fall	0	0	0	0
	I don't know	43	42	45	46
	No response	25	26	26	25



#### **6.4. Detail from sheet D on firms' responses to open-ended questions**

A substantial majority of firms claimed that their “single biggest problem” (Q 75) involved compliance with regulation (table 18).<sup>5</sup> In terms of detailed responses, 16 firms cited “administration and bureaucracy” and 10 cited “monopoly and lack of competitiveness” to be their single biggest problems. Just 4 firms named food safety regulations as their single biggest problem, and 8 firms claimed that a lack of uniformity of application of EU regulations throughout the EU was their biggest single problem. 27 firms gave no answer to this question, and 10 firms cited problems associated with EU fisheries regulation.

Q 76 shows firms' claims regarding the consequences of not solving their “single biggest problem (table 19). A range of disruptions was claimed, focusing on reduced profitability (21 firms), exit from the industry (13 firms), changes in product range (6 firms) and loss of markets (10 firms). Q 77 provoked firms to assess the role played by policy in their biggest single problem (table 20). Almost half of all firms (46 out of 109) claimed that policy “causes the problem”.

Q 78 invites firms to suggest a policy change that would solve their “biggest single problem”. A large range of changes was proposed, although 49 firms gave no response (table 21). The most popular single response (from just 6 firms) was to harmonise policy within the EU.

In Q 79, firms were asked to shift their focus from their own problems to those of the entire Danish food industry, by identifying “the biggest single threat to its continued success”. Again, the majority of responding firms identified regulation (table 22), but with more variation than was the case for Q 75. Monopoly in the food chain (11 firms) was the most popular detailed response, and non-uniformity of EU regulation received much less attention than earlier.

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<sup>5</sup> Coding and classification of open-ended questions required an iterative procedure, as the required coding categories were unknown before responses were received. For Q 75, 79 and 81, a 2-stage coding was created to arrive at “response category” as well as a more detailed coding according to “detail of response”: Q 75A and 75B provide an example.

**Table 18. Q 75 Firms' problem identification**

<b>75A</b>	<b>What is the biggest single problem faced by your firm? Category of response</b>	<b>Number responding</b>
	Regulation	61
	Market structure	10
	Business costs	12
	Foreign competition	2
	There is no single biggest problem	0
	Other	5
	Don't know	0
	No answer	19
	Total	109
<b>75B</b>	<b>Detail of response</b>	<b>Number responding</b>
	Compliance with veterinary controls	3
	Compliance with fisheries controls	4
	Administration and bureaucracy	16
	Monopoly and lack of competitiveness	10
	Compliance with environmental law	2
	Lack of uniformity in regulations within the EU	8
	Cheap imports from outside the EU	3
	Administration of EU fishery quotas	0
	Achieving quality improvement	0
	Changes in EU structural funding	0
	Size of EU-fisheries quotas	6
	Inability to raise investment capital	3
	Lack of uniformity in regulations within Denmark	1
	Lack of uniformity in regulations between EU/non EU	1
	Unstable support environment	1
	Duty/tax	5
	Other laws	8
	Rules on food safety	4
	Other	7
	Don't know	0
	No answer	27
	Total	109

**Table 19. Q 76 Firms' claims regarding consequences of not solving their "single biggest problem"**

76	What is the consequence for your firm if this problem is not solved?	Number responding
	Detail of response	
	Reduction in production	7
	Reduction in revenues	8
	Closing down	13
	Higher costs	14
	Reduced growth rate	7
	Reduce staff	2
	Relocate to another country	3
	Merge with another company	2
	Change product or input range	6
	Loss of markets	10
	Other	9
	Don't know	3
	No answer	25
	Total	109

**Table 20. Q 77 Firms' associations between the "single biggest problem" they face and the "role played by policy"**

77	Which existing laws and regulations are most relevant to this problem? State whether you think the policies are causes of, or solutions to, the problem	Number responding
	Category of responses	
	it causes the problem	46
	it attempts to solve the problem	1
	it may be cause of and/or solution to the problem	8
	Not connected to the problem	6
	Other comments	10
	Don't know	5
	No answer	33
	Total	109

**Table 21. Q 78 Firms' advocated policy changes to solve the "biggest single problem" they face**

78	With regard to solving this problem, what changes in policy do you recommend?	Number responding
	Detail of firms' responses	
	Harmonisation of policy within the EU	6
	Harmonised food safety regulation within Denmark	1
	Stricter rules on competition	2
	Reduced numbers of rules and regulations	3
	Denmark should better exploit EU laws	2
	Less solitary approach (Denmark vs EU)	1
	Change "innovationsloven" regarding trade subsidies	1
	Change local planning controls on industrial building	1
	Reduce tax and subsidies for environmental improvement	1
	Reduce taxes on mineral water and beer	1
	Reduce taxes on packages	1
	Make legislation more precise	1
	Deregulate concerning firms' various legal liabilities	1
	Change to rules about carcass transport and cooling	1
	Re-introduce structural support subsidies for small and middle size firms	1
	Remove company taxation	1
	Reduce the overall tax burden for firms	1
	Harmonize administration and enforcement of laws within the EU	1
	Introduce fishery preservation areas that will be moved regularly	1
	Government should hire inspectors with practical knowledge	1
	Reduce administrative burden for small companies	2
	Let cooperatives be taxed like private companies	1
	Enforce rules the same way for all companies	1
	When new laws are introduced, more attention should be paid to industry's views	3
	Force monopolies to split up	1
	Increase open debate about policies	1
	Emphasise "own inspection", policed by spot tests	1
	Nothing	2
	Other	10
	Don't know	7
	No answer	49
	Total	109

**Table 22. Q 79 Firms' views on "the single biggest threat to the continued success of the Danish food industry"**

79A	What is the biggest single threat to the continued success of the Danish food industry?	Number responding
	Response by category	
	Regulation	25
	Market structure	12
	Business costs	17
	Foreign competition	7
	Other	12
	Don't know	4
	No answer	32
	Total	109
79B	Detail of responses	Number responding
	Administration and bureaucracy	4
	Compliance with veterinary controls	1
	Administration of EU fishery quotas	2
	Lack of uniformity in regulations within the EU	3
	Lack of uniformity in regulations between EU/non EU	1
	Subsidies to farmers	1
	Taxes and fees	5
	Monopoly in the food chain	11
	Inability to raise investment capital	3
	Higher costs in Denmark than in other countries	7
	Difficulties in new product development	4
	Difficulties in improving product quality	6
	Insufficient control in the food system	1
	Insufficient training of laboratory testing technicians	1
	Inadequate orientation to export markets and products	3
	The threat posed by EU enlargement	2
	Other	18
	Don't know	4
	No answer	32
	Total	109

Notably, just two firms claimed that the threat posed by EU enlargement was the single biggest threat to the continued success of the Danish food industry (table 23). However, 7 firms identified a higher cost structure in Denmark than in other countries, and fully 18 "other" threats were identified. Q 80 invited firms to advocate policy responses to the biggest single threat to the Danish food industry at local, national and EU levels. Harmonization of policies is a popular choice (table 23), both with Denmark and within the EU. 3-5 firms advocate improvements in the competence of monitoring of firms, and 2-4 ask for changes in self-monitoring. A number of firms advocate changes in VAT and company taxation, and 4-11 firms advocate non-

specific “adjustments in legislation”. Fully 56-60 firms did not respond to the question.

**Table 23. Q 80 Firms’ views on government actions to remove “the single biggest threat to the continued success of the Danish food industry”**

80	What can government do to remove that threat from firms like yours?	at local level	at National level	at EU level
	Reduce administrative burden		3	1
	Harmonise rules within the EU		2	13
	Harmonise rules within Denmark	3	1	1
	Reduce or remove VAT on food	1	1	
	Formulate policies based on industry consultation		1	1
	Regulate prices			1
	Non-specific policy change	2	4	3
	“Adjust legislation”	4	11	11
	Increase the competence of monitoring of firms	5	3	3
	Reduce tax and administrative costs faced by firms	2	8	2
	Improve self-monitoring procedures	4	2	
	Nothing	8	4	2
	Other	5	8	6
	Don’t know	6	5	7
	No answer	69	56	59
		109	109	109

Q 81 sought firms views on (the more positive) aspect of “opportunities facing the Danish food industry”. The two most popular choices were “new, value-added products” (19 firms), development of new export destinations (12 firms) and higher quality provision (9 firms). Grouped into categories, 42 firms’ views can be expressed as being “product-related” 11 as “market related” and 6 as associated with use of resources.

Q 82 requests that firms advocate policies to allow the Danish food industry to take advantage of the “biggest single opportunity” as expressed in Q 81. Again, local, national and EU levels are addressed. 60-80 firms claimed either “don’t know” or did not respond (table 25), and 4-10 advocated a non-specific policy change. Only a few firms gave meaningful answers, featuring greater encouragement of research, more flexibility in the labour force, and adjustments to monitoring procedures.

**Table 24. Q 81 Firms' views on "the biggest single opportunity facing the Danish food industry"**

What is the biggest single opportunity facing the Danish food industry?		
81A	Category of responses: opportunities classified as involving:	Number responding
	Resources	6
	Products	42
	Markets	11
	Other	3
	Don't know	9
	No answer	38
	Total	109
81B	Detail of responses	Number responding
	Development of new, value-added products	19
	Provision of higher quality products	9
	Exploitation of the good reputation of Danish foods	4
	Development of new export destinations	12
	Organic food products	2
	Improved food safety	2
	Flexibility in production	3
	Product information provision	5
	Healthy foods	1
	Food chain co-ordination	2
	Other	3
	Don't know	9
	No answer	38
	Total	109

**Table 25. Q 82 Firms' advocated policies to allow them to take advantage of "the biggest single opportunity facing the Danish food industry"**

82	What can the government do to allow firms like yours to take advantage of that opportunity?			
	Detail of responses	at local level	at National level	at EU level
	Reduce administrative burden		1	
	Harmonise rules within the EU			5
	Non-specific policy change	4	9	10
	Adjust monitoring procedures	3	2	2
	Reduce taxes paid by firms		4	
	Dialogue between government and industry	2	2	
	Stop monopoly actions		2	1
	Support initiatives by firms	4	6	3
	Encourage more research		4	2
	Provide more public information	2	3	3
	Encourage food chain co-ordination		2	1
	More flexible labour force	2	1	
	Nothing	3		
	Other comments	6	5	4
	Don't know	8	8	8
	No answer	75	60	70
	Total	109	109	109

## PART III - SUMMARY OF RESOURCES USED IN THE SURVEY

### 7. Resources used

**Table 26. Manpower costs of survey design and preparation**

<b>1. Manpower</b>	<b>days</b>	<b>Sub-totals</b>	<b>Totals</b>
<b>1.1 Database assembly</b>			
Senior researchers	3	3	
Research assistants	12	12	
Total manpower used on database			15
<b>1.2 Questionnaire</b>			
Senior researchers			
Survey conception	6		
Question formulation	10		
Formating of questionnaire	1		
Peer review	4		
Testing	2		
Revisions	10		
Translation checking	3	36	
Industry contacts			
Review and comment on questionnaire	6	6	
Research contacts			
Testing	3		
Review and comment on questionnaire	4	7	
Research assistants			
Translation	8		
Graphics and format	2	10	
Total manpower used on questionnaire			59



**Table 27. Summary of resources used for implementation of survey**

<b>1.3 Implementation of survey</b>			
Senior researchers	Days used	Totals	
Training and procedural development	5		
Monitoring of process	10		
Responses to enquiries	2	17	
Research assistants			
Database management	6		
First telephone calls	15		
Second telephone calls	8		
Copying and sending materials	5		
Contacts with firms	3		
Handling returned questionnaires	3	40	
Total manpower used on implementation			57
<b>1.4 Data entry and preliminary analysis</b>			
Senior researchers			
Overview, design and revisions for coding	3		
Supervision of data entry	2		
Preliminary analysis	4	9	
Research assistants			
Checking against database	2		
Coding	4		
Entry	16		
Revisions	3		
Formating	2	27	
<b>1.5 Other manpower costs</b>			
Presentation on website	2		
Circulation to peers	2		
Seminar presentations	2	6	
Total manpower used on data entry and preliminary analysis			42
Total manpower used for the survey (days)			173
of which			
Senior researchers			65
Research assistants			89
Others			19

**Table 28. Summary of non-manpower costs of the survey**

<b>2. Other costs of survey</b>			
	No.	units	
Stationery	1500	A4 pages	
	850	A3 pages	
Envelopes	850	A4	
	850	A3	
Postage (sending)	850	packages	
Postage (return)	176	envelopes	
Telephone	1027	domestic calls	
Office space used	3	months	
Time devoted by responding firms (hours)	109	firms @	0.5 hours
			55

## **PART IV – CONCLUSIONS**

### **8. Conclusions**

#### **8.1. Overview of the survey process**

The survey has provided a unique data set on a previously un-researched topic in the Danish food industry. Firms have had the opportunity directly to identify problems and assess the policy environment's handling of those problems. Firms' claims about the impacts of specific regulatory areas have been canvassed.

Presentation of a summary of results is constrained by the sheer bulk of material and the space available, as well as by the readers' finite interest in detail. This report addresses only the raw data. Analysis of the results presented here is on-going and will be published as it is completed. The authors welcome commentary and enquiry from all participants in the food industry and its policy apparatus. Data summaries are available from the authors, but due to confidentiality the raw data is available only in semi-processed form.

The survey has been expensive to conduct and administer. Several basic steps (e.g. creation of the sample data set) were carried out from scratch, which added to the costs. In hindsight, errors and omissions in method and implementation can be detected and this report identifies as many of these as possible to assist future researchers.

The first, and somewhat non-analytical, conclusion that can be drawn from the survey is that Danish food industry firms are sufficiently concerned about the survey's subject matter to respond in significant numbers. Firms of all sizes and specializations, from all areas of Denmark and from three main stages of the food marketing chain responded. They displayed significant variation in their responses throughout the questionnaire.

## **8.2. Conclusions drawn from the survey results**

### **8.2.1. Firms' perceptions about problems with food industry co-ordination and competition**

Firms' perceptions of co-ordination and competitive problems in the food marketing chain are different to those defined by researchers. In general, the nine "problem statements" made in sheet B of the survey met with limited agreement from firms. However, those firms that did agree with the stated problems felt that they were "major" problems rather than "minor" ones. For the problems identified by the authors, firms were generally unenthusiastic about the performance, or potential effectiveness, of the policy environment in solving each problem. One interpretation of the results from sheet B is that firms interpret industry co-ordination and competition as being unaffected by the policy environment.

### **8.2.2. Firms' claims about policy impacts**

Firms express substantial variation in their assessment of impacts of nominated policy areas. The most striking feature of sheet C's results is the number of firms claiming to not know the effects of policy areas on costs and prices. This ranged from 15 of 109 firms in the case of food safety and labour law to over 50 firms for legislation related to farmer co-operatives, copyright and land use planning.

The case of laws affecting farmer co-operatives is interesting, in that there is no explicit Danish legislation addressed at co-operatives, although several aspects of commercial law are applied uniquely to co-operatives. However, a significant number of firms agreed, in sheet B, with statements that co-operatives exhibit excessive market power. It is difficult to interpret the high incidence of "I don't know" to questions regarding cost and price impacts of this aspect of policy.

Even more difficult to understand is the apparent lack of knowledge of the impacts of land use planning rules. This law addresses many aspects of location and operation of agricultural production, processing and storage, as well as being influential in transport policy. An accompanying research activity is underway to list and describe the elements of major food industry regulations, and the survey results will be used to identify further disparities between potential impacts and firms' level of concern over them.

Firms claimed the biggest impacts on costs arise from legislation related to:

- trade barriers;
- animal welfare;
- product quality descriptions;
- information provision;
- food safety;
- the environment;
- transport; and
- labor.

Of these policy areas, firms claimed that several also raise sales prices, indicating that firms can, to some extent, pass on cost increases further down the food marketing chain. This particularly applies to information provision, food safety, animal welfare and transport. For the other policy areas listed above, there is preliminary evidence that firms view these costs as being unable to be passed onwards toward the consumer. Current research is addressing this aspect of the survey data.

The regulatory areas that firms' claimed had little impact on costs and prices are product nomenclature, competition law, copyright, land use and planning, contract law and business operating hours.

### **8.2.3. Firms' responses to open-ended questions**

Responding firms overwhelmingly identify "regulation" as a major problem both for individual firms and for the industry as a whole. Firms interpretation of "regulation" includes the breadth and depth of the incidence of regulation, the costs of compliance, and the associated paperwork and bureaucracy.

Despite this preponderance of blame attached to "regulation", more than half the responding firms were able to identify specific policies that they related to problems. As many as one third of firms were able to advocate sensible policy change, and to allocate those changes to local, national and EU levels.

Over 70 of 109 firms identified a "single biggest opportunity" for the Danish food industry. The opportunities identified were mostly associated with quality, value-adding and new export markets. Notably, these are not topics addressed by the major

elements of current Danish food industry policy: food safety, organics, animal welfare, the environment and land use planning.

#### **8.2.4. On-going research**

Several research activities are proceeding, and are available from the author, including:

- an analysis of firms' branding behavior;
- an analysis of patterns arising from firms' claims about impacts of policies, based on firms' ability to pass on costs throughout the food chain;
- cluster analysis of firms' claims about policy impacts; and
- a study of the legislative basis of the policy areas referred to in the survey.

### **9. References**

- Danmarks Statistik (1996): Dansk branchekode 1993, 2. udgave. (Danish international classification of all economic activities 1993) Danmarks Statistik, København
- Hamann, K and D. Baker (2004) "Review of policies impacting the Danish food marketing chain" Fødevareøkonomisk Institut, Working Paper no. 07/2004.

## Annex 1. Questionnaire

### A. Background information on the firm

Konservesfabrikken Peach A/S (example) Ferskenstræde 10 (example) 9999 Bogenstrup (example) Att. Direktør Jens Jensen (example)		
1	Position held by person filling out the questionnaire	
2	Firm's commodity specialisation	2002 .....
3		1997 (i.e. 5 years ago) .....
4	Firm's main activity	2002 .....
		1997 (i.e. 5 years ago) .....
<b>Main products and services (ranked by value of sales in 2002)</b>		
6	Name of product or service highest sales (by value)	
7	Name of product or service with 2nd highest sales (by value)	
8	Name of product or service with 3rd highest sales (by value)	
<b>Size of the firm (2002)</b>		
9	No. of employees (full time equivalent)	
10	Annual sales (DKK)	
	<b>of which</b>	
11	food products (%)	
12	food industry services (%)	
13	other (%)	
<b>Vertical integration (2002)</b>		
14	% ownership of firm by food processing firms	
15	% ownership of firm by food retailing firms	
16	% ownership of firm by farmers or farm co-operatives	
17	% ownership of firm by firms outside the food industry	
<b>Foreign operations (2002)</b>		
18	What % of value of purchases of agricultural raw materials are imported?	
19	What % of value of sales are exported	
<b>Number of business units OWNED BY the firm (2002)</b>		
20	number of units owned, that supply agricultural inputs and raw materials	
21	number of units owned, that process or manufacture food products	
22	number of warehouses, storage, wholesale and distribution units owned	
23	number of retail shops owned	
24	number of restaurants owned	
25	number of other units owned (specify...)	
26	number of other units owned (specify ...)	
<b>Branded food products</b>		
26	Number of food product brands owned by the firm	2002 .....
27		1997 (i.e. 5 years ago) .....
28	Number of new branded food products introduced in one year	2002 .....
29		1997 (i.e. 5 years ago) .....
30	What % of value of sales are retailers' own-brands?	2002 .....
31		1997 (i.e. 5 years ago) .....

Cleared for entry .....

Fødevareøkonomisk Institut

Cleared for disposal .....

## B. Perceived problems in the Danish food industry

Please comment on the following statements, that are sometimes claimed to be "problems" for the Danish food industry

Problem Statement	Do you agree?	How important is this problem for the Danish food industry? (mark ONE)			To what extent do government policies or actions solve the problem? (mark ONE)					Make any other comments here
		A major problem	A minor problem	I don't know	Government policy solves the problem	Government policy partially solves the problem	Government policy has no impact on the problem	Government policy makes the problem worse	I don't know	
32 "There is not enough co-ordination between stages in the Danish Food Marketing Chain"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
33 "The Danish food industry products too few new products"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
34 "Food retailers' own-label brands have too large a share of the Danish market"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
35 "Danish farmer co-operatives have too much market power"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
36 "Danish food processors have too much market-power in their dealings with farmers"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
37 "Danish food processors have too much market-power in their dealings with retailers"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
38 "Danish food retailers have too much market power over farmers"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
39 "Danish food retailers have too much market power over consumers"	<input type="checkbox"/> YES <input type="checkbox"/> NO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

What other "problems" would you define for the Danish food Industry

40	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## C. The impacts of policies that affect the food industry

Please evaluate each of the following government policies on the price and cost aspects of your firm's operations

	SALES PRICES				PURCHASE PRICES				FIXED COSTS				VARIABLE COSTS			
	In 2002, this policy resulted in prices to customers being ...				In 2002, this policy resulted in PRICES PAID to SUPPLIERS of agricultural and food products being ...				In 2002, this policy resulted in this firm's FIXED costs of production being ...				In 2002, this policy resulted in this firm's VARIABLE costs of production being ...			
	Higher	Neither higher nor lower	Lower	I don't know	Higher	Neither higher nor lower	Lower	I don't know	Higher	Neither higher nor lower	Lower	I don't know	Higher	Neither higher nor lower	Lower	I don't know
<b>List of government policies</b>																
42 Int'l trade policy for raw agr. prod. under the CAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
43 Int'l trade policy for proc. foods and feeds under the CAP	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44 Legislation related to farmer co-operatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
45 Legisl. on animal welfare during production	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46 Legisl. on animal welfare during transp. and handling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47 Rules of product nomenclature	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48 Rules of prod. quality descr. when raw mater. are purch'd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49 Rules of prod. quality descr. when products are sold	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50 Rules on provision of information about GMO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51 Rules on prov. of information about country of origin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
52 Rules on prov. of information about production methods	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
53 Rules on identify preservation, and traceability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
54 Anti-monopoly legisl. (pricing and competitive conduct.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
55 Anti-trust legisl. (merger and acquisition)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
56 Copyright and patent law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
57 Product liability law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
58 Food safety regulation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
59 Rules on organic farming and organic food products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
60 Legislation on recycling of packaging material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
61 Legislation on water use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
62 Legislation on waste water discharge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
63 Legislation on solid waste disposal	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
64 Legislation on air quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
65 Legislation on land use and planning	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
66 Legislation on transport	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
67 Contract law – regulation of the content of contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68 Contract law – regulation of enforcement of contracts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
69 Rules of accounts, record keeping and public disclosure	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
70 Labour law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
71 Regulations on business operating hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	In 2002, this policy resulted in prices to customers being ...				In 2002, this policy resulted in PRICES PAID to SUPPLIERS of agricultural and food products being ...				In 2002, this policy resulted in this firm's FIXED costs of production being ...				In 2002, this policy resulted in this firm's VARIABLE costs of production being ...			
	Higher	Neither higher nor lower	Lower	I don't know	Higher	Neither higher nor lower	Lower	I don't know	Higher	Neither higher nor lower	Lower	I don't know	Higher	Neither higher nor lower	Lower	I don't know
What other policies can you list that are relevant to your firm																
71	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
72	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
73	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



## D. Your recommendations for future policy

Please give us your thoughts on government policy toward the Danish food sector

### (i.) Problems faced by your firm in 2003

What is the biggest single problem faced by your firm?

75

What are the likely consequences for your firm if this problem is not solved within 5 years

76

Which existing laws and regulations are most relevant to this problem? (please state whether you think the policies are causes or solutions)

77

With regard to solving this problem, what **changes** in policy do you advocate?

78

### (ii.) Threats to the continued success of the Danish food industry in 2003

What is the biggest single threat to the continued success of the Danish food industry?

79

What can government do to remove that threat for firms like yours

80

(a) at local level

(b) at national level

(c) at EU level

### (iii.) Opportunities for the Danish food industry in 2003

What is the biggest single opportunity facing the Danish food industry?

81

What can government do to allow firms like yours to take advantage of that opportunity?

82

(a) at local level

(b) at national level

(c) at EU level

**Working Papers**  
Fødevareøkonomisk Institut

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07/04 Juni 2004	Karen Hamann and Derek Baker	Review of policies impacting the Danish food marketing chain
06/04 Juni 2004	Derek Baker, Trine Vig Jensen, Divya Das and Torkild Dalgaard	Survey of Danish food industry firms' views on policies that impact the food industry
05/04 Maj 2004	Aage Walter-Jørgensen	Begrænsning af lugtgener fra svineproduktionen
04/04 April 2004	Jens Abildtrup, Jens Erik Ørum, Jørgen D. Jensen og Brian H. Jacobsen	Økonomiske analyser af virkemidler til reduktion af næringsstofbelastningen til Ringkøbing Fjord
03/04 April 2004	Christian Bagger, Søren Marcus Pedersen og Morten Gylling	Biorefined proteins from rapeseed – economic assessment and system analysis
02/04 April 2004	Lars Otto, Niels Peter Baadsgaard og Charlotte Sonne Kristensen	Sundhedsrådgivning og økonomi inden for svineproduktion. Hvilke redskaber bruger rådgiverne og hvad er deres behov?
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16/03 December 2003	Janus Søndergaard, Jesper Graversen og Mogens Lund	Analyse af fødevarekæder - centrale begreber og metoder
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